



## Why Delphi Energy Shares Popped

### Description

*Although we don't believe in timing the market or panicking over market movements, we do like to keep an eye on big changes — just in case they're material to our investing thesis.*

**What:** Shares of oil and gas explorer **Delphi Energy** (TSX: DEE) climbed 10% today after providing an operations update that excited Bay Street.

**So what:** The stock has slumped over the past month on valuation concerns, but today's East Bigstone update — the fourth Montney well produced an average rate of 9.4 million cubic feet per day ("mmcf/d") of raw gas and 1,250 barrels per day ("bbls/d") of wellhead condensate — is quickly easing those worries. For perspective, Delphi's most fruitful Montney well so far produced at an average of 8.8 mmcf/d of raw gas and 750 bbls/d of wellhead condensate.

**Now what:** Don't expect Delphi's success at Bigstone to stop anytime soon. "Drilling times for the Company's Montney wells have decreased 35 percent and drilling costs have been reduced by 25 percent since the beginning of the Bigstone Montney program," [noted](#) the company. "Drilling operations continue in East Bigstone with three gross (2.7 net) additional wells planned to be drilled prior to break-up in 2014." So while the stock remains far too risky for average investors, Delphi's strong momentum at Bigstone make it a particularly enticing speculation for energy-savvy Fools.

### CATEGORY

1. Investing

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